

EXHIBIT

18



FORM 8-K

NORTHWESTERN CORP - NWEK

Filed: April 16, 2003 (period: April 16, 2003)

Report of unscheduled material events or corporate changes.

Item 5. Other Events and Regulation FD Disclosure.

Item 7. Financial Statements and Exhibits

SIGNATURES

Index to Exhibits

EX-99 (Exhibits not specifically designated by another number
and by investment companies)

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<TYPE>8-K
<SEQUENCE>1
<FILENAME>nw8k.txt
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 16, 2003

NorthWestern Corporation
(Exact name of registrant as specified in its charter)

<TABLE>

<S>	Delaware	<C>
	(State or other jurisdiction of incorporation)	0-692
</TABLE>		(Commission File Numbe

125 South Dakota Avenue	57104
Sioux Falls, South Dakota	(Zip Code)
(Address of principal executive offices)	

(605) 978-2908
(Registrant's telephone number, including area code)

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Item 5. Other Events and Regulation FD Disclosure.

On April 16, 2003, NorthWestern Corporation (the "Company") issued a press release discussing results for the fourth quarter of 2002 and for the full year of 2002. The press release also discussed the restatement of the Company's

quarterly results for the first three fiscal quarters of 2002, each of which were included in Quarterly Reports on Form 10-Q/A that were filed with the Securities and Exchange Commission on April 15, 2003. The press release also provided an update on the Company's previously-announced turnaround plan. The press release is included as Exhibit 99.1 hereto and is incorporated herein by reference. The press release contains forward-looking statements regarding the Company and includes a cautionary statement identifying important factors that could cause actual results to differ materially from those anticipated.

Item 7. Financial Statements and Exhibits

EXHIBIT NO.	DESCRIPTION OF DOCUMENT
99.1*	Press Release of NorthWestern Corporation dated April 16, 2003
* filed herewith	

1

<PAGE>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NorthWestern Corporation

By: /s/ Kipp D. Orme

Kipp D. Orme
Vice President and Chief Financial Officer

Date: April 16, 2003

<PAGE>

Index to Exhibits

EXHIBIT NO.	DESCRIPTION OF DOCUMENT
99.1*	Press Release of NorthWestern Corporation dated April 16, 2003
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NorthWestern
Corporation

News Release
NYSE:NOR

Investors/Media:

Roger Schrum
605-978-2848
roger.schrum@northwestern.com

NORTHWESTERN CORPORATION REPORTS 2002 FINANCIAL RESULTS

Company Reports Loss of \$892.9 Million for Full-Year 2002

Update Provided on Turnaround Plan

SIOUX FALLS, S.D. - April 16, 2003 - NorthWestern Corporation (NYSE:NOR), one of the largest providers of electricity and natural gas in the Upper Midwest and Northwest, today reported its financial results for the year ended Dec. 31, 2002, following the filing with the Securities and Exchange Commission of its Annual Report on Form 10-K and amended Quarterly Reports on Form 10-Q/A which restated prior unaudited results for the first three quarters of 2002. In addition, the Company updated the progress of its turnaround plan.

The Company reported a loss on common stock for the year ended Dec. 31, 2002, of \$892.9 million, or \$30.04 per diluted share, compared with earnings on common stock of \$37.5 million or \$1.53 per diluted share in 2001. Full-year 2002 results were negatively impacted by \$878.5 million in charges.

Consolidated revenues for 2002 were \$2.0 billion, a 15.5 percent increase from \$1.7 billion in 2001. Revenue increased in 2002 due to the addition of the newly acquired Montana electric and natural gas utility operations as well as increased revenue at Blue Dot, the Company's heating, ventilation and air conditioning business, primarily as the result of several acquisitions. However, consolidated revenues were adversely impacted by a substantial decrease in revenue from Expanets, the Company's communications services business, due primarily to deteriorating telecommunications markets and problems caused by complications with its EXPERT billing and collection system.

2002 Charges

As previously announced, NorthWestern reported significant charges in 2002 totaling \$878.5 million. The breakdown of the charges are as follows:

<TABLE>
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- o Impairment of Blue Dot goodwill and other long-lived assets
- o Impairment of Expanets goodwill and other long-lived assets

o Discontinued operations of CornerStone Propane, net of tax benefits
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<PAGE>

NorthWestern Reports Financial Results for 2002
April 16, 2003
Page 2

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- o Valuation allowance for deferred tax asset
- o Expanets billing adjustments and accounts receivable write-offs and reserv
- o Impairment of Montana First Megawatts project
- o Retirement of acquisition term loan, net of tax benefits

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Restatement of Quarterly Results

Immediately prior to filing NorthWestern's 2002 Annual Report on Form 10-K, NorthWestern filed amended Quarterly Reports on Form 10-Q/A for the periods ended March 31, 2002, June 30, 2002, and Sept. 30, 2002. The quarterly reports were restated and include additional disclosures in the appropriate periods related to:

- o billing adjustments reducing revenues and increases in accounts receivable reserves and write-offs resulting from significant deficiencies in Expanets' EXPERT billing and collection system;
- o the inadequacy of data to support recording certain revenues on a percentage of completion basis, thereby requiring utilization of completed contract revenue recognition methodology for such revenues and cost recognition;
- o the impact resulting from the finalization of the purchase accounting for the acquisition of the Montana utility operations;
- o the reversal of losses previously allocated to minority shareholders of Blue Dot as a result of the finalization of the purchase accounting for acquisitions made in 2002;
- o the timing, amount and disclosure of adjustment to certain accruals;
- o the quarterly impact of certain other adjustments.

Results from Core Utility Operations for 2002 NorthWestern's core electric and natural gas utility, NorthWestern Energy, reported operating income of \$145.0 million, compared with operating income of \$45.9 million in 2001. Revenues for 2002 increased to \$775.4 million, up substantially from revenues of \$251.2 million in 2001. Results for 2002 include 11 months of Montana energy operations, which were acquired in February 2002. In 2002, Montana utility operations contributed \$113.1 million in operating income, with revenues of \$562.6 million, excluding results from January 2002. South Dakota and Nebraska operations contributed \$31.9 million in operating income in 2002, with revenues of \$212.7 million.

Total sales of electricity increased to approximately 9.4 million megawatt hours in 2002, compared with 1.6 million megawatt hours in 2001. Total sales of natural gas grew to approximately 36.7 million MMBTU, compared with 18.3 million MMBTU in 2001. Energy sales in 2002 reflect 11 months of results from Montana operations.

<PAGE>

NorthWestern Reports Financial Results for 2002
 April 16, 2003
 Page 3

Results from Nonutility Operations for 2002

For 2002, Expanets reported an operating loss of \$391.9 million, compared with an operating loss of \$102.6 million in 2001. Full-year 2002 results were adversely impacted by goodwill and other long-lived asset impairments in the fourth quarter of 2002 of \$288.7 million and a \$65.8 million increase in reserves and write-offs for billing adjustments and accounts receivable and ongoing complications with Expanets' EXPERT enterprise billing and collection system. Revenues decreased in 2002 to \$710.5 million, compared with \$1.0 billion in 2001, due to deteriorating telecommunications markets and ongoing complications with the EXPERT system.

Blue Dot reported an operating loss in 2002 of \$311.3 million, compared with an operating loss of \$13.8 million in 2001. Blue Dot's results were adversely impacted by goodwill and other long-lived asset impairments of \$301.7 million and challenging economic conditions. Revenues were \$471.8 million in 2002, compared with revenues in 2001 of \$423.8 million. The increase in revenues was primarily due to acquisitions made during 2001 and 2002.

Turnaround Plan Update

As previously announced, NorthWestern is implementing a turnaround plan involving the following actions:

- o Focusing on the Company's core electric and natural gas utility business.
- o Reducing debt by applying net proceeds from the sale of noncore assets and businesses, including Blue Dot, Expanets, the Montana First Megawatts generation project and the Colstrip (Montana) transmission line.
- o Reducing costs and improving cash flow.
- o Strengthening internal financial controls and procedures.

NorthWestern reported that progress has been made on several fronts regarding its turnaround plan, including:

- o As part of a new agreement, Avaya, Inc. relinquished its equity interest in Expanets and canceled a noninterest bearing subordinated note with Expanets in the face amount of \$35 million due in 2005, which had a carrying value of approximately \$27 million. In addition, Expanets extended the payment schedule for approximately \$27 million of debt owed to Avaya, originally due Dec. 31, 2002, and now due in three equal payments on Jan. 1, April 1 and July 1, 2004. NorthWestern has an obligation to purchase inventory and receivables in an amount equal to the outstanding balance in the event it is not repaid by Expanets.
- o NorthWestern has engaged an investment advisor to pursue a possible sale or disposition of Blue Dot and Expanets. In addition, the Company does not intend to make additional significant investments in Blue Dot and Expanets and is working to improve their financial independence.

<PAGE>

NorthWestern Reports Financial Results for 2002
April 16, 2003
Page 4

- o Blue Dot has sold 15 of 16 noncore business locations that it had previously targeted for sale. Selling these underperforming locations, along with reductions in corporate overhead, will help Blue Dot to become more self sufficient.
- o The Company has hired a chief restructuring officer, reporting directly to the Chief Executive Officer, and retained advisors to assist in developing strategic alternatives to reduce costs, improve cash flow and reduce debt.
- o The Company has hired a vice president of audit and controls, reporting directly to the Chief Executive Officer, to assess, implement and monitor internal controls.

NorthWestern said that based on current plans and business conditions, the Company expects that its cash flows from operations, cash and cash equivalents will be sufficient to meet its cash requirements for the next 12 months. The Company believes that it may need additional funding sources or proceeds from the sale of noncore assets by the end of 2004 or early 2005. In 2005, the Company faces substantial debt maturities.

Given the Company's significant debt, the board of directors intends to review the appropriateness of each periodic interest payment of its trust preferred securities in light of, among other things, the progress of its turnaround plan and the Company's liquidity needs. The Company has the right to defer interest payments for up to 20 consecutive quarters. If interest payments are deferred, cash distributions on the trust preferred securities will also be deferred. In each case, interest would accrue on deferred payments.

Absent the receipt of significant proceeds from the sale of noncore assets, the raising of additional capital or a restructuring of existing debt, the Company will not be able to meet its substantial debt maturities. The Company is currently working with outside advisors to identify alternatives to restructure its long-term debt.

"Recognizing our significant challenges, we are taking steps to try and stabilize NorthWestern's current financial position and ensure that we maintain sufficient funds to support our core utility business and meet our obligations," said Gary G. Drook, NorthWestern's Chief Executive Officer. "In the near term, we are taking actions intended to assist us in reducing debt and returning our focus to our core utility business. In the longer term, we are evaluating our options for restructuring our indebtedness."

<PAGE>

NorthWestern Reports Financial Results for 2002
April 16, 2003
Page 5

About NorthWestern

NorthWestern Corporation is one of the largest providers of electricity and natural gas in the Upper Midwest and Northwest, serving approximately 598,000 customers in Montana, South Dakota and Nebraska. NorthWestern also has investments in Expanets, Inc., a leading nationwide provider of networked communications and data services to small and mid-sized businesses, and Blue Dot Services Inc., a provider of heating, ventilation and air conditioning services to residential and commercial customers.

Forward-Looking Statements

STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: All statements contained herein, as well as statements made in press releases and oral statements that may be made by us or by officers, directors or employees acting on our behalf, that are not statements of historical fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Among the factors that could cause our actual results or outcomes to differ materially are: the adverse impact of weather conditions and seasonal fluctuations; unscheduled generation outages, maintenance or repairs; unanticipated changes to fuel supply costs or availability due to higher demand, shortages, transportation problems or other developments; developments in the federal and state regulatory environment and the terms associated with obtaining regulatory approvals and rate orders; costs associated with environmental liabilities and compliance with environmental laws; the rate of growth and economic conditions in our service territories and those of our subsidiaries; the speed and degree to which competition enters the industries and markets in which our businesses operate; the timing and extent of changes in interest rates and fluctuations in energy-related commodity prices; risks associated with acquisitions, transition and integration of acquired companies, including the transmission and distribution business of the former Montana Power Company and the Growing and Emerging Markets Division of Lucent Technologies, Inc., and the implementation of information systems and realization of efficiencies in excess of any related restructuring charges; pending litigation relating to our acquisition of the former Montana Power Company; a lack of minority interest basis, which requires us to recognize an increased share of operating losses at certain of our subsidiaries; our ability to recover transition costs; disallowance by the Montana Public Service Commission of the recovery of the costs incurred in entering into our default supply portfolio contracts while we are required to act as the "default supplier;" disruptions and adverse effects in the capital markets due to the changing economic environment; our ability to maintain effective systems of internal controls, including significant implementation difficulties with the Expert system at Expanets; the impact of war, hostilities or terrorist actions; our credit ratings with Moody's, Standard & Poor's and Fitch; potential delays in financings or Securities and Exchange Commission filings because we changed auditors; our substantial indebtedness, which could limit our operating flexibility and ability to borrow additional funds; our ability to obtain additional capital to refinance our indebtedness that is scheduled to mature and for working capital purposes; our ability to identify and successfully complete proposed asset divestitures and additional impairment charges that may result from sales below book value; the ability of our unregulated businesses to obtain independent financing without reliance on us; changes in customer usage patterns and preferences; possible

NorthWestern Reports Financial Results for 2002
 April 16, 2003
 Page 6

future actions and developments of CornerStone Propane Partners L.P., Expanets, Inc. and Blue Dot Services Inc.; and other factors identified from time to time in our filings with the SEC. This news release should be read in conjunction with our Annual Report on Form 10-K for 2001, as amended, and any subsequent quarterly reports on Form 10-Q and current reports on Form 8-K, which can be located at www.sec.gov or requested from the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors.

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NorthWestern Reports Financial Results for 2002
 April 16, 2003
 Page 7

NORTHWESTERN CORPORATION
 CONSOLIDATED STATEMENTS OF INCOME
 (In Thousands, Except Per Share Amounts)

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	Year Ended December 3
	----- 2002 -----
<S>	<C>
Operating Revenues	\$ 1,991,509
Cost of Sales	1,095,409
Gross Margin	----- 896,100 -----
Operating Expenses:	
Selling, general and administrative	771,626
Goodwill and other impairment charges	626,123
Depreciation	98,567
Amortization of intangibles and other intangibles	29,418
Restructuring charge	--
	----- 1,525,734 -----
Operating Loss from Continuing Operations	(629,634)